



DEPARTMENT OF STATE

Washington, D.C. 20520

81-2308/1

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September 22, 1981

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TO: - SIG Participants

SUBJECT: SIG on East-West Economic Relations
Summary of September 21 Meeting

The Senior Interdepartmental Group on East-West Economic Relations convened in the State Department on September 21, Under Secretary for Economic Affairs Myer Rashish, chairing.

The agenda included two items: progress of preparations for the high-level COCOM meeting (tentatively scheduled for late November), and alternatives to the Yamal pipeline for West Europe energy supply.

COCOM

Commerce reported on the status of planning for the COCOM high-level meeting. By the end of the week Commerce will circulate a package of four papers for agency comment: (a) a strategy paper; (b) a planning document; (c) a schedule; and (d) a paper detailing agency responsibilities. This package would then be reviewed and formalized by an Under Secretaries group, chaired by Commerce, which would have responsibility under the Export Administration Review Board.

The Chairman noted that the role of the SIG was to spur and prod the work in progress rather than to substitute for pre-existing interagency mechanisms that have clearly defined responsibilities for COCOM, including the Economic Defense Advisory Committee (which is chaired by State).

The Commerce representative suggested that mid-October be the target date for pulling together the preparatory work.

Yamal Pipeline

DOD noted that there is confusion amongst the Allies as to the USG position on the first phase of the pipeline, and that there is a need to reinforce with the Allies the position taken by the President at the Ottawa Summit. The DOD representative suggested that a cable clarifying our policy be sent to appropriate posts. A discussion followed as to the timing of the message.

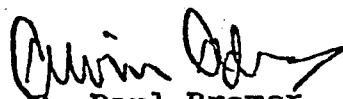
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It was noted that the President has before him an options paper on Oil and Gas Technology and Equipment, and that there is a linkage between the positions we take on oil and gas technology and equipment and the pipeline. The NSC representative suggested that the message to the allies await a Presidential decision on oil and gas. It was also noted that the Secretary of State will be addressing the pipeline issue in several bilateral meetings with Allied Foreign Ministers at the UNGA in New York, including Foreign Minister Genscher. The Department of State will take the lead in following up with a message to the Allies.

At NSC request, State will send a cable to Nigeria eliciting a Nigerian proposal to supply gas to Europe as an alternative to Soviet gas.

The DOE paper on energy alternatives and the DOD paper on economic, political and security rationales for not proceeding with the pipeline will be circulated early next week. The SIG will reconvene at the end of next week to review the papers.


L. Paul Bremer, III
Executive Secretary

List of Addressees

| | |
|----------|------------------------|
| OVP | - Ms. Nancy Bearg Dyke |
| NSC | - Mr. Allen Lenz |
| DOC | - Ms. Jean Jones |
| DOD | - Mr. Jay Rixse |
| JCS | - LTC Edward Bucknell |
| Treasury | - Mr. Steve Skancke |
| USTR | - Mr. David MacDonald |
| DOE | - Mr. Peter Borre |
| CIA | |
| ACDA | - Mr. Robert Grey |
| UNA | - Amb. Harvey Feldman |

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Attachment: List of SIG Participants

SIG MEETING ON EAST-WEST ECONOMIC RELATIONS

Monday, September 21, 11:00 a.m.

Department of State

ATTENDEES

State

Myer Rashish (Chairman)
Paul Wolfowitz
John Scanlan
Jeremy Azrael
Harry Kopp
Sando Volgelgesang
Eugene Douglas
Shelia Lopez (Notetaker)

OVP

Nancy Bearg Dyke

NSC

Allen Lenz
Norman Bailey

CIA

Adm. Bobby Inman

JCS

LTG Paul Gorman

DOD

Richard Perle
Stephen Bryen
Don Goldstein

Energy

George Bradley

ACDA

Arch Turrentine
William Searle

Treasury

Stephen Canner
Rhonda Bresnick

USTR

James Murphy

Commerce

Larry Brady
Bo Denysyk

UNA

Harvey Feldman